

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

BENEFICIAL INNOVATIONS, INC.,

Plaintiff,

vs.

CAREERBUILDER, LLC., a Delaware corporation; CNET NETWORKS, INC., a Delaware corporation; THE DALLAS MORNING NEWS, INC., a Delaware corporation; DIGG, INC., a Delaware corporation; EBAUM'S WORLD, INC., a New York corporation; GOOGLE INC., a Delaware corporation; JABEZ NETWORKS, INC., a Tennessee corporation; MORRIS COMMUNICATIONS COMPANY, LLC, a Georgia limited liability company; THE NEW YORK TIMES COMPANY, a New York corporation; YAHOO! INC., a Delaware corporation; and YOUTUBE, LLC, a Delaware limited liability company,

Defendants.

CASE NO. 2:09-CV-175-TJW

Jury Trial Demanded

**PLAINTIFF AND COUNTERDEFENDANT BENEFICIAL INNOVATIONS, INC.'S
REPLY TO COUNTERCLAIMS OF DEFENDANT FACEBOOK, INC.**

Plaintiff and Counterdefendant Beneficial Innovations, Inc. ("Beneficial Innovations") hereby answers the counterclaims of Defendant and Counterclaimant Facebook, Inc. ("Facebook"). The paragraphs in this reply are numbered to correspond with the paragraph numbers in Facebook's counterclaims; accordingly, the first numbered paragraph is number 7. All of the allegations of Facebook's Counterclaims not specifically admitted are hereby denied.

PARTIES

7. Upon information and belief, Plaintiff and Counterdefendant Beneficial Innovations admits that Facebook is a corporation organized and existing under the laws of the state of Delaware with its principal place of business at 1601 S California Avenue, Palo Alto, California, 94304.

8. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations contained in paragraph 8 of Facebook's Counterclaims.

JURISDICTION AND VENUE

9. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations of subject matter jurisdiction in paragraph 9 of Facebook's Counterclaims.

10. Plaintiff and Counterdefendant Beneficial Innovations admits that the Court has personal jurisdiction.

ACTUAL CONTROVERSY

11. Plaintiff and Counterdefendant Beneficial Innovations admits it is the owner of all rights and title to the '943 patent and that it has alleged that Facebook has and is infringing the '943 patent.

12. Plaintiff and Counterdefendant Beneficial Innovations admits that an actual controversy exists between Beneficial Innovations and Facebook and that Facebook purports to seek a declaration that it does not infringe the '943 patent, that the '943 patent is invalid, and that Beneficial Innvoations' claims under the '943 patent are barred.

COUNT I

(Declaratory Judgment of Non-Infringement of U.S. Patent No. 7,496,943)

13. Paragraph 13 of Facebook's Counterclaims incorporates by reference all preceding paragraphs of its Counterclaims. Beneficial Innovations incorporates by reference its response to all preceding paragraphs of Facebook's Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 13.

14. Plaintiff and Counterdefendant Beneficial Innovations denies the allegations contained in paragraph 14 of Facebook's Counterclaims.

COUNT II
(Declaratory Judgment of Invalidity and/or Unenforceability of U.S. Patent No. 7,496,943)

15. Paragraph 15 of Facebook's Counterclaims incorporates by reference all preceding paragraphs of its Counterclaims. Beneficial Innovations incorporates by reference its response to all preceding paragraphs of Facebook's Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 15.

16. Plaintiff and Counterdefendant Beneficial Innovations denies the allegations contained in paragraph 16 of Facebook's Counterclaims.

RELIEF REQUESTED

Plaintiff and Counterdefendant Beneficial Innovations denies that Facebook is entitled to the relief it seeks or any relief for the allegations made in its Answer and Counterclaims. Plaintiff and Counterdefendant Beneficial Innovations requests that judgment be entered in its favor on all issues and it be awarded the appropriate damages, exceptional damages, costs, and attorneys' fees.

DEMAND FOR JURY TRIAL

Plaintiff and Counterdefendant Beneficial Innovations demands trial by jury of all issues.

Dated: December 28, 2009

Respectfully submitted,
By: /s/ Julien A. Adams

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ATTORNEYS FOR PLAINTIFF
BENEFICIAL INNOVATIONS, LLC

CERTIFICATE OF SERVICE

I hereby certify that all counsel of record who are deemed to have consented to electronic service are being served this 28th day of December 2009, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/ Julien A. Adams

Julien A. Adams